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Department of State

TELEGRAM

EXCISE

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ACTION AF-19

INFO OCT-01 ARA-12 EUR-20 EA-15 NEA-13 CIAE-00 DODE-00
PM-05 H-02 INR-08 L-04 NSAE-00 NSC-10 P-03 RSC-01
PRS-01 SS-20 USIA-12 E-15 COM-08 INT-06 OEP-01 JUS-02
RSR-01 /179 W

097685

R 281505Z JAN 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 7361
INFO USINT ALGIERS
AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMEMBASSY BELGRADE
AMEMBASSY BONN
USMISSION EC BRUSSELS
AMEMBASSY CARACAS
AMCONSUL DHAHRAN
AMEMBASSY DJAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION OECD
AMEMBASSY ROME
JLESGPQ/AMEMBASSY THE HAGUE 61
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
USMISSION NATO
AMEMBASSY VIENNA

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CJ DATE 6/19/81
PORTIONS DENIED AS INDICATED

S E C R E T TRIPOLI 214

SUBJ: OIL SITUATION: [redacted]

1. IN PAST WEEK SINCE ONSET OF TENSE PETROLEUM SITUATION, TRIPOLI HAS BEEN OBJECT OF UNUSUAL NUMBER OF VISITS BY NATIONAL ECONOMIC/

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COMMERCIAL DELEGATIONS -- ALL OF THEM INTERESTED IN OIL AFFAIRS. SOME, SUCH AS JAPANESE (TRIPOLI 158) AND YUGOSLAV VISITS, APPEAR TO HAVE BEEN SCHEDULED FOR SOME TIME AND THEIR ARRIVAL AT THIS JUNCTURE SEEMS COINCIDENTAL. OTHERS, SUCH AS REPEAT VISIT JAN 26-27 BY ALGERIAN MINISTER OF INDUSTRY AND ENERGY ABDESSELAM (WHO REPORTEDLY LEFT FOR PARIS FROM TRIPOLI), PROBABLY EAST GERMAN INDUSTRIAL DELEGATION, AND ALMOST CERTAINLY SOVIET TEAM DUE JAN 29, APPEAR TO HAVE DIRECT CONNECTION WITH CURRENT OIL SITUATION.

2. UNTIL FURTHER INFORMATION BECOMES AVAILABLE, OUR COMMENTS ON THESE VISITS ARE LIMITED TO THE FOLLOWING:

A) JAPAN -- JAPAN HAD SHOWN ACTIVE INTEREST IN ACQUIRING OIL CONCESSIONS IN LIBYA PRIOR TO 1969 REVOLUTION. PETROLEUM U/S QIBLAWI VISITED TOKYO IN MAY 1970 TO REVIVE THIS INTEREST. THERE HAVE BEEN LONG-RANGE CONTACTS ON THIS SUBJECT SINCE, AND RECENT VISIT SEEMS TO HAVE BEEN, IN PART, INTENDED TO EVALUATE CURRENT PROSPECTS. WE DO NOT KNOW WHAT CONCLUSIONS JAPANESE OIL COMPANIES MAY REACH, BUT EXPECT THEY WOULD DEFER ANY INITIATIVE UNTIL PRESENT SITUATION IS CLARIFIED.

B) YUGOSLAVIA -- YUGOSLAV VISIT LAST WEEK WAS CONCERNED WITH BROAD RANGE OF TECHNICAL COOPERATION ISSUES, PARTICULARLY RENEWAL OF BILATERAL COOPERATION AGREEMENT, BUT AMONG THEM YUGOSLAV INTEREST IN IMPORTING LIBYAN ROYALTY OIL VIA LNOC. SO FAR AS WE ARE AWARE, NO OIL PURCHASE AGREEMENT WAS CONCLUDED, BUT LNOC IS UNDERSTOOD TO HAVE OFFERED CRUDE ON FIVE-YEAR CONTRACT AT ABOVE CURRENT LIBYAN POSTING OF $2.55 FOR 40 DEGREE OIL.

C) ALGERIA -- DURING LESERBHANI 24 HOUR VISIT, ALGERIAN MINISTER ABDESSELAM MET WITH CHIEF LARG OIL NEGOTIATOR JALLUD AND CALLED ON RCC PRESIDENT QADHAFI TO DELIVER MESSAGE FROM BOUMEDIENE. CONTINUING CLOSE LIBYAN-ALGERIAN COORDINATION IN OIL SITUATION CLEARLY SEEMS TO HAVE BEEN PURPOSE OF VISIT. WE HAVE NO EVIDENCE TO SUPPORT POSSIBLE ALGERIAN DOUBTS ABOUT ROTU OF LIBYA IN ALGERIAN-FRENCH OIL CONFLICT (ALGIERS 155).

D) GDR -- EAST GERMAN DELEGATION [redacted] ARRIVED JAN 20 AND [redacted] IS STILL IN TRIPOLI. FOCUS OF VISIT IS ON OIL AFFAIRS, POSSIBLE TO FOLLOW UP PRELIMINARY CONTACTS MADE LAST MAY ON CRUDE OIL PURCHASES AND CONSTRUCTION OF TANKERS FOR LIBYA (TRIPOLI A-1431). EAST GERMAN OFFERS OF TECHNICAL COOPERATION IN OIL ARE, OF COURSE, POSSIBILITY IN PRESENT SITUATION. B1

E) USSR -- LARG HAS ANNOUNCED THAT SOVIET ECONOMIC DELEGATION IS SCHEDULED TO ARRIVE JAN 29 FOR TALKS ON OIL, INDUSTRY AND ECONOMIC

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COOPERATION. SOVIETS HAVE SHOWN CONTINUING LOW-LEVEL INTEREST IN LIBYA'S OIL AFFAIRS (A-143, TRIPOLI 957). TIMING OF VISIT SUGGESTS IT IS FOLLOW-UP TO EARLIER UNSPECIFIC OFFERS OF OIL COOPERATION.

[redacted] B1

[redacted] B1

4. COMMENT: EXTRAORDINARY NUMBER OF RECENT OIL-RELATED VISITS BY FOREIGN DELEGATIONS PROBABLY IS PARTIALLY ACCIDENTAL AND PARTIALLY CONTRIVED. LARG
CERTAINLY MUST FIND THESE TACTICALLY USEFUL. HOW-
EVER, FOR SUGGESTION THEY OFFER OF POSSIBLE ALTERNATIVES TO PRE-
SENT LARG-COMPANY RELATIONSHIPS [redacted] B1

[redacted]. WE THINK THERE IS SOME BASIS FOR CONCERN. GP-1.
PALMER

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